REMARKS/ARGUMENTS

Claims 50-101 are pending in the application. The Examiner alleges that the claimed invention is directed to non-statutory subject matter but identifies no specific claims as being rejected under 35 U.S.C. 101; claims 50-101 are rejected under 35 U.S.C. 112; and claims 50-101 are rejected under 35 U.S.C. 103. The rejection is traversed and reconsideration is requested.

Claim Amendments

New claims 102-104, 105-107, 108-110, and 111-113, respectively, recite the "whereby" clauses of independent claims 55, 77, 92, and 97 separately as non-optional steps. Support for the foregoing amendment is found throughout the claims and specification and no new matter has been added.

Examiner's Comments Regarding 35 USC § 101

While no specific claims are identified as being rejected under 35 U.S.C. 101, the Examiner alleges that "the claimed invention is directed to non-statutory subject matter" because "the 'whereby' clauses in claims 55, 77, 92, and 97 suggests or makes optional the step(s) the pickup of the check received at the first location". The Examiner has cited no authority in support of the Examiner's allegation that use of a "whereby" clause causes a claim to be directed to non-statutory subject matter. On the contrary, the MPEP clearly recognizes the use of "whereby" clauses in claims that suggest or make optional but do not require steps to be performed or do not limit a claim to a particular structure, which may raise a question as to the limiting effect of the language but not the validity of the claim (see, e.g., MPEP2106 II.C. and MPEP2111.04). Further, the Federal Circuit has clearly recognized that such use of "whereby" clauses may indeed constitute valid claim limitations (see, e.g., *Hoffer v. Microsoft Corp.*, 405 F.3d 1326 (Fed. Cir. 2005)).

The proper test of what constitutes statutory subject matter under 35 U.S.C. 101, as set forth in *Diamond v. Diehr*, 450 U.S. 175 (1981), is whether the claimed process viewed as a whole recites a practical application with a useful result. Applying the *Diehr* test, the present claims clearly fall within the bounds of statutory subject matter because they achieve

a practical and useful result: providing image based transaction handling of checks using an electronic representation of the check created at a first deposit location for processing at a second location that allows delay or elimination of pickup of the check received at the first location, resulting at least in cost savings or improvements in payment settlement times by processing the transaction with the scanned image at the second location. The rejection under 35 U.S.C. 101 is clearly improper and should be withdrawn.

Claim Rejections - 35 USC § 112

Claims 50-101 stand rejected under 35 U.S.C. 112, second paragraph, as being indefinite because inclusion of "the phrase 'can be' delayed or eliminated" in the "whereby" clause means "the step is not required to be performed, but only the potential to be performed". The Examiner has likewise cited no authority in support of the Examiner's allegation that use of "can be" in a "whereby" clause causes a claim to be indefinite within the meaning of 35 U.S.C. 112, second paragraph. As already pointed out, the MPEP clearly recognizes the use of "whereby" clauses in claims that suggest or make optional but do not require steps to be performed or do not limit a claim to a particular structure, which may raise a question as to the limiting effect of the language but not the validity of the claim (see, e.g., MPEP2106 II.C. and MPEP2111.04). Further, as pointed out in MPEP 2173.05(g), the Court has held that limitations such as "whereby said housing may be slidably positioned" serve to precisely define present structural attributes of interrelated component parts of a claimed assembly, citing *In re Venezia*, 530 F.2d 956, 189 USPQ 149 (CCPA 1976). The rejection of claims 50-101 under 35 U.S.C. 112, second paragraph is likewise clearly improper and should be withdrawn.

Claim Rejections - 35 USC § 103

Claims 50-101 stand rejected under 35 U.S.C. Section 103(a) as obvious over Gustin (US 5,829,625) in view of Wensink (US 5,431,389). The rejection is traversed and reconsideration is requested. Previously presented independent claims 50, 53, 55, 77, 92, and 97, and new independent claims 102, 105, 108, and 111 are set out below for reference.

50.   (Previously presented)   A method for image based transactions, comprising, the steps of:
    receiving at a first location cash having a front face and a back face;
    scanning the front face and the back face of the cash to create an electronic validation of deposited cash;
    transmitting the electronic validation of deposited cash from the first location to a second location; and
    processing a transaction at the second location with the electronic validation of deposited cash.

53.   (Previously presented)   A system for conducting image based transactions, comprising:
    means for accepting as a deposited item at a first location cash having a front face and a back face;
    a scanner located at a first location and configured for scanning the front face and the back face of the cash, for creating an image of the deposited cash;
    means for transmitting an electronic validation of deposited cash from the first location to a second location;
    means for receiving the transmitted electronic validation of deposited cash, said means for receiving being located at the second location; and
    means for processing a transaction with the electronic validation of deposited cash at the second location.

55.   (Previously presented)   A method for image based transactions, comprising the steps of:
    receiving at a first location a check having a front face and a back face, wherein the check is an original paper check;
    scanning the front face and the back face of the check to create a deposited check;
    transmitting an image of the scanned deposited check from the first location to a second location; and
    processing a transaction at the second location with the scanned image of the deposited check, whereby pickup of the check received at the first location can be delayed or eliminated, resulting at least in cost savings or improvements in payment settlement times by processing the transaction with the scanned image at the second location.

77.   (Previously presented)   A system for conducting image based transactions, comprising:
    means for accepting as a deposited item at a first location a check having a front face and a back face, wherein the check is an original paper check;
    a scanner located at a first location and configured for scanning the front face and the back face of the check, for creating an image of a deposited check;
    means for transmitting an image of the scanned deposited check from the first location to a second location;

means for receiving the transmitted image of the scanned deposited check, said means for receiving being located at the second location; and

means for processing a transaction with the image of the scanned deposited check at the second location, whereby pickup of the check received at the first location can be delayed or eliminated, resulting at least in cost savings or improvements in payment settlement times by processing the transaction with the scanned image at the second location.

92.   (Previously presented) A method for image based transactions, comprising:

receiving at a first location a check having a front face and a back face, wherein the check is an original paper check;

scanning the front face and the back face of the check to create a deposited check;

transmitting an image of the scanned deposited check from the first location to a second location; and

processing a transaction at the second location with the scanned image of the deposited check without verification of the signature of the user initiating the transaction, which signature is used to verify that the user is a profiled user with a specified system, whereby pickup of the check received at the first location can be delayed or eliminated, resulting at least in cost savings or improvements in payment settlement times by processing the transaction with the scanned image at the second location.

97.   (Previously presented) A system for conducting image based transactions, comprising:

means for accepting as a deposited item at a first location a check having a front face and a back face, wherein the check is an original paper check;

a scanner located at a first location and configured for scanning the front face and the back face of the check, for creating an image of a deposited instrument;

means for transmitting an image of the scanned deposited check from the first location to a second location;

means for receiving the transmitted image of the scanned deposited check, said means for receiving being located at the second location; and

means for processing a transaction with the image of the scanned deposited check at the second location without verification of the signature of a user initiating the transaction, which signature is used to verify that the user is a profiled user within a specified system, whereby pickup of the check received at the first location can be delayed or eliminated, resulting at least in cost savings or improvements in payment settlement times by processing the transaction with the scanned image at the second location.

102.   (New) A method for image based transactions handling a check using an electronic representation of the check, comprising the steps of:

receiving at a first location the a check having a front face and a back face, wherein the check is an original paper check;

scanning the front face and the back face of the check to create a deposited check;

transmitting an image of the scanned deposited check from the first location to a second location;

processing a transaction at the second location with the scanned image of the deposited check; and

handling the check received at the first location by one of delaying pickup of the check and eliminating pickup of the check, resulting at least in cost savings or improvements in payment settlement times by processing the transaction with the scanned image at the second location.

105.   (New) A system for conducting image based transactions handling a check using an electronic representation of the check, comprising:

means for accepting as a deposited item at a first location a check having a front face and a back face, wherein the check is an original paper check;

a scanner located at a first location and configured for scanning the front face and the back face of the check, for creating an image of a deposited check;

means for transmitting an image of the scanned deposited check from the first location to a second location;

means for receiving the transmitted image of the scanned deposited check, said means for receiving being located at the second location;

means for processing a transaction with the image of the scanned deposited check at the second location; and

means for handling the check received at the first location by one of delaying pickup of the check and eliminating pickup of the check, resulting at least in cost savings or improvements in payment settlement times by processing the transaction with the scanned image at the second location.

108.   (New) A method for image based transactions handling a check using an electronic representation of the check, comprising:

receiving at a first location a check having a front face and a back face, wherein the check is an original paper check;

scanning the front face and the back face of the check to create a deposited check;

transmitting an image of the scanned deposited check from the first location to a second location;

processing a transaction at the second location with the scanned image of the deposited check without verification of the signature of the user initiating the transaction, which signature is used to verify that the user is a profiled user with a specified system; and

handling the check received at the first location by one of delaying pickup of the check and eliminating pickup of the check, resulting at least in cost savings or improvements in payment settlement times by processing the transaction with the scanned image at the second location.

111.   A system for conducting image based transactions handling a check using an electronic representation of the check, comprising:

means for accepting as a deposited item at a first location a check having a front face and a back face, wherein the check is an original paper check;

a scanner located at a first location and configured for scanning the front face and the back face of the check, for creating an image of a deposited instrument;

means for transmitting an image of the scanned deposited check from the first location to a second location;

means for receiving the transmitted image of the scanned deposited check, said means for receiving being located at the second location;

means for processing a transaction with the image of the scanned deposited check at the second location without verification of the signature of a user initiating the transaction, which signature is used to verify that the user is a profiled user within a specified system; and

means for handling the check received at the first location by one of delaying pickup of the check and eliminating pickup of the check, resulting at least in cost savings or improvements in payment settlement times by processing the transaction with the scanned image at the second location.

The proposed modification of Gustin in view of Wensink lacks one or more limitations recited in each of previously presented independent claims 50, 53, 55, 77, 92, and 97, and new independent claims 102, 105, 108, and 111 in at least the following respects:

• Fig. 13, the Abstract, column 4, lines 3-8, column 18, lines 3-7, and column 13 of Gustin, cited by the Examiner in rejecting independent claims 50, 53, 55, 77, and presumably (albeit not expressly) claim 97, respectively, illustrates a flow chart of screen prompts for inserting an ATM card to deposit cash, a check, or a money order via a modem (Gustin, Fig. 13); proposes a banking machine with a reader that captures an image of a money order, recognizes a signature and amount, and transfers money e.g. by wire (Gustin, Abstract); proposes a banking machine that accepts a deposit of cash and transfers it by wire, deposits it into an account, or pays for a purchase (Gustin, col. 4, lines 3-8); discusses a camera that photographs both sides of a money order and reads its amount (Gustin, col 18, lines 3-7); and discusses a camera that reads magnetic ink on an item to determine if it is a check or money order, saves an image of both sides of the item, reads an amount and signature, and accepts the item (Gustin, col 3).   However, neither Fig. 13, the Abstract, column 4, lines 3-8, column 18, lines 3-7, nor column 13 of Gustin, discloses or suggests any of

(i) transmitting the electronic validation of deposited cash from the first location to a second location and processing a transaction at the second location with the electronic validation of deposited cash, as recited in previously presented independent claims 50 and 53; (ii) transmitting an image of the scanned deposited check from the first location to a second location and processing a transaction at the second location with the scanned image of the deposited check, as recited in previously presented independent claims 55 and 77 and new independent claims 102, and 105; (iii) transmitting an image of the scanned deposited check from the first location to a second location and processing a transaction at the second location with the scanned image of the deposited check without verification of the signature of the user initiating the transaction, which signature is used to verify that the user is a profiled user within a specified system, as recited in previously presented independent claims 92 and 97 and new independent claims 108, and 111; or (iv) handling the check received at the first location by delaying pickup of the check or eliminating pickup of the check, as recited in new independent claims 102, 105, 108, and 111

- Fig. 13K and column 4, lines 42-56, also cited by the Examiner in rejecting independent claims 50, 53, 55, 77, and presumably claim 97, respectively, illustrates a "thank you" bank deposit screen shot (Gustin, Fig. 13K) and proposes a wire transfer over a bank network via a modem with the sender entering the destination bank and account number of the recipient and paying for the transfer by cash, credit card, smart card, or from the sender's account (Gustin, col. 4, lines 42-56). There is likewise no teaching or suggestion in Fig. 13K and column 4, lines 42-56 or anywhere else in Gustin of any of (i) transmitting the electronic validation of deposited cash from the first location to a second location and processing a transaction at the second location with the electronic validation of deposited cash, as recited in previously presented independent claims 50 and 53; (ii) transmitting an image of the scanned deposited check from the first location to a second location and processing a transaction at the second location with the scanned image of the deposited check, as recited in previously presented independent claims 55 and 77 and new independent claims 102, and 105; (iii) transmitting an image of the scanned deposited check from the first

location to a second location and processing a transaction at the second location with the scanned image of the deposited check without verification of the signature of the user initiating the transaction, which signature is used to verify that the user is a profiled user within a specified system, as recited in previously presented independent claims 92 and 97 and new independent claims 108, and 111; or (iv) handling the check received at the first location by delaying pickup of the check or eliminating pickup of the check, as recited in new independent claims 102, 105, 108, and 111

- Wensink fails to remedy the deficiencies for Gustin. Column 6, lines 50-64, likewise cited by the Examiner in rejecting independent claims 50, 53, 55, 77, and presumably claim 97, proposes a hand scanner that with proper software could be used for scanning both sides of a full page legal tender document in two passes as an inexpensive alternative to a full page scanner (Wensink, col. 6, lines 50-64). There is no hint of teaching or suggestion in Wensink of (i) transmitting the electronic validation of deposited cash from the first location to a second location and processing a transaction at the second location with the electronic validation of deposited cash, as recited in previously presented independent claims 50 and 53; (ii) transmitting an image of the scanned deposited check from the first location to a second location and processing a transaction at the second location with the scanned image of the deposited check, as recited in previously presented independent claims 55 and 77 and new independent claims 102, and 105; (iii) transmitting an image of the scanned deposited check from the first location to a second location and processing a transaction at the second location with the scanned image of the deposited check without verification of the signature of the user initiating the transaction, which signature is used to verify that the user is a profiled user within a specified system, as recited in previously presented independent claims 92 and 97 and new independent claims 108, and 111; or (iv) handling the check received at the first location by delaying pickup of the check or eliminating pickup of the check, as recited in new independent claims 102, 105, 108, and 111

- Further, the Examiner's statement of what is "well known within the banking industry art" amounts to "official notice" which is improper and should be

withdrawn because, e.g., the notice taken is not capable of such instant and
unquestionable demonstration as to defy dispute, is not supported by citation to some
reference work recognized as a standard in the pertinent art, and a clear and
unmistakable technical line of reasoning underlying the decision to take such notice is
not provided. The remarks to this point are responsive in that they distinctly and
specifically point out the error in taking "official notice" in this fashion--as required
by 37 CFR 1.111(b). While the MPEP asserts:

> To adequately traverse such a finding, an application must specifically point
> out the supposed errors in the examiner's action, which would include stating
> why the noticed fact is not considered to be common knowledge or well-
> known in the art. See 37 CFR 1.111(b)

such a traverse is required only where official notice was properly taken. Otherwise,
an improper official notice, e.g., mere assertion, would operate as an inappropriate
burden-shifting tactic.

Consequently, Gustin and/or Wensink, separately or in combination with one another,
do not recite the required combination of limitations of independent claims 50, 53, 55, 77, 92,
97, 102, 105, 108, and/or 111. Because the cited references, either alone or in combination,
do not teach the limitations of independent claims 50, 53, 55, 77, 92, 97, 102, 105, 108,
and/or 111, the Examiner has failed to establish the required *prima facie* case of
unpatentability. In re Royka, 490 F.2d 981, 985 (C.C.P.A., 1974) (holding that a *prima facie*
case of obviousness requires the references to teach all of the limitations of the rejected
claim); See also MPEP 52143.03.

The Examiner has failed to establish the required *prima facie* case of unpatentability
for independent claims 50, 53, 55, 77, 92, 97, 102, 105, 108, and 111, and similarly has failed
to establish a *prima case* of unpatentability for claims 51 and 52 that depend on claim 50,
claim 54 that depends on claim 53, claims 56-76 that depend on claim 55, claims 78-91 that
depend on claim 77, claims 93-96 that depend on claim 92, claims 98-101 that depend on
claim 97, claims 103 and 104 that depend on claim 102, claims 106 and 107 that depend on

claim 105, claims 109 and 110 that depend on claim 108, and claims 112 and 113 that
depend on claim 111, and which recite further specific elements that have no reasonable
correspondence with the references.

Conclusion

In view of the foregoing amendment and these remarks, each of the claims remaining in the application is in condition for immediate allowance. Accordingly, the Examiner is requested to reconsider and withdraw the rejection and to pass the application to issue. The Examiner is respectfully invited to telephone the undersigned at 704-503-2579 to discuss any questions relating to the application.

Respectfully submitted,

Date: __November 27, 2007__   By: _/John M. Harrington - Reg. #25,592/_
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